

Exhibit 7

PERSONAL AND CONFIDENTIAL

May 24, 2002

Mr. Budd T. Pohle
 President
 Time 'N Temperature Corporation
 P.O. Box 6747
 Ventura, CA 93006

Dear Budd:

Thanks for your letter of May 20. I appreciate your thoughts about valuation and your interest in pursuing a sale of TnT. I'll try to respond as best I can, given the dearth of financial information.

When doing an acquisition, we are not beholden to any particular set of financial formulas (e.g.—2-4X net income, .5X- 1X revenue), the way a larger company might be. However, we are asked by our Board to be grounded in economic reality. What that really means is, how does the valuation of TnT at \$10M compare to the valuation of other, comparable companies? And, how does the spending of \$10M compare to other options; for example, how low and how long could we offer rebates in the market before we spent our way through \$10M? And, how might such a purchase compare to our experience—specifically, the acquisition of Ryan. Those are the sorts of questions I would need to be prepared to answer before seeking approval from our Board to offer \$10M for the purchase of TnT.

The only piece of information about TnT's financials that I have available is a D&B report of your revenue at \$1,475K. (I suspect this might be incorrect, but it's the best I have.) If you were doing 10% NPAT, that would be about \$150K. A \$10M price would then be 6.8X revenue and 67X net income. I have a number of public comparables (in the instrumentation space) against which I can compare this value. None, of course, is truly comparable, though Cox is closest:

<u>Symbol</u>	<u>Company</u>	<u>Market Cap</u>	<u>Revenue</u>	<u>Ratio</u>	<u>P/E</u>
DEWY	Dewey Electronics Corporation	\$5.63M	\$9.55M	.59X	5.3X
SRMC	Sierra Monitor Corp	\$4.50M	\$9.95M	.45X	12.4X
PHTO	Photon Technology Intl.	\$3.02M	\$9.14M	.33X	4.0X
COXT	Cox Technologies	\$2.83M	\$8.75M	.32X	loss
SCND	Scientific Industries	\$1.22M	\$3.38M	.36X	4.4X
MGTC	Megatech Corporation	\$.97M	\$1.72M	.56X	loss
<i>Assumed</i>	<i>TnT</i>	\$10.00M	\$1.48M	6.86X	66.7X

The other way to look at the proposed \$10M asking price is to say that Sensitech could provide, completely free of charge, full produce monitoring programs to the #10 through #15 largest grocers in the country for about five years before we spent all \$10M. This would, I suspect, make us pretty competitive with this particular group of customers!

I might add that the price requested would be more than we paid for Ryan, which had a history of profitability and annual revenue from \$9M to \$12M.

So, those are the kinds of reasonable benchmarks against which my Board would hold me accountable.

If the D&B report is correct, this would suggest the gap between what we could reasonably offer (and we would certainly try to stretch because, as you point out, this is a strategic purchase for us) and your value for TnT might be insurmountable. An outsider might also logically conclude that, in this particular instance, the buyer is far more motivated than the seller.

As I said, I'm not governed by a particular formula--just by economic reality. If these discussions are worth pursuing given the kind of expectations that the Board has placed on us, then I am eager to move forward. Please contact me at your earliest convenience.

Sincerely,

Eric B. Schultz
CEO